



CONSTRUCTION BULLETIN

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Number 30

Real Estate Economists, Appraisers and Counselors

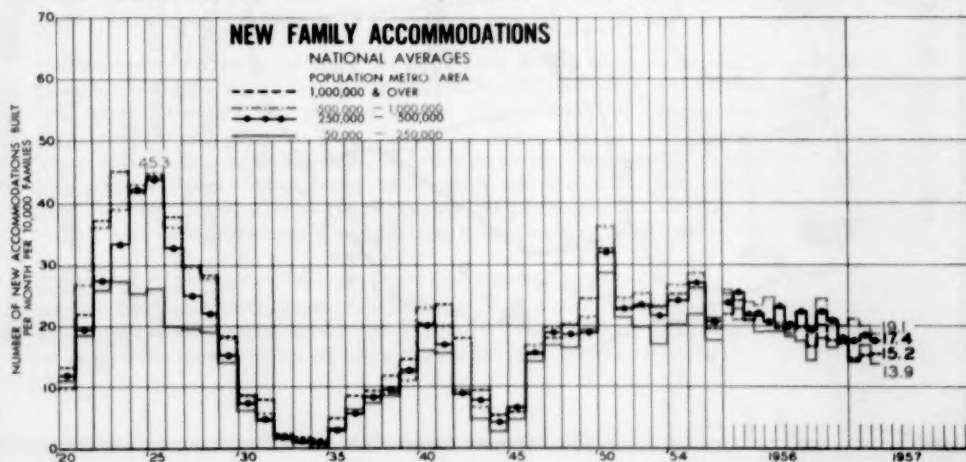
RESIDENTIAL CONSTRUCTION DECLINING

DURING the past year and a half the rate at which new dwelling units have been built has been gradually declining. In the largest cities it looks as if the decline may have halted, but in the cities having a population of from 500 to 1 million, the drop is still continuing.

The average rates at which new family accommodations have been built from 1920 through 1956 on an annual basis, and from 1956 through March 1957 on a monthly basis, are shown on the chart below.

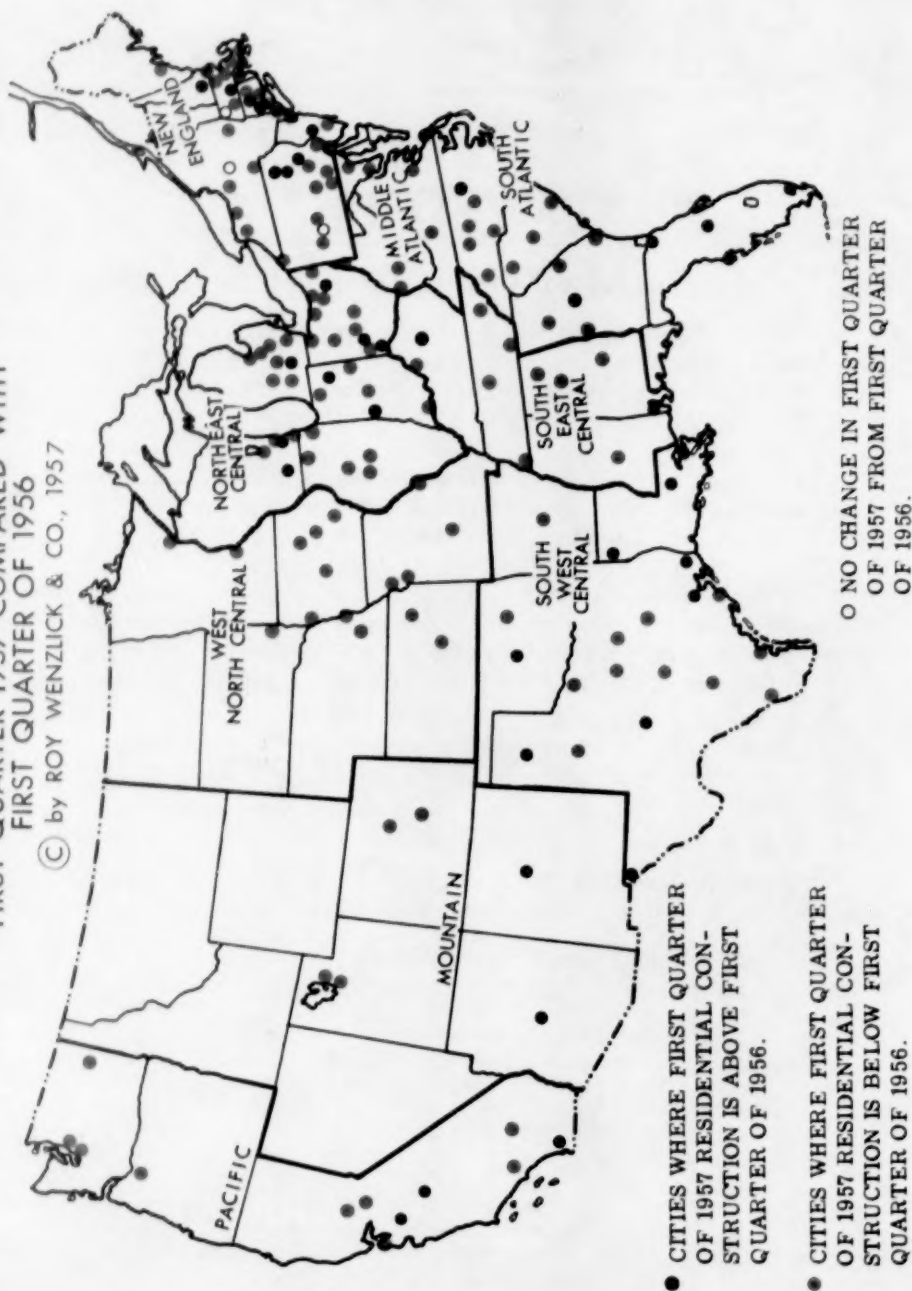
Figures are now available on practically all metropolitan areas of the United States for the first quarter of 1957. The table below shows the first 5 months of 1957 compared with the first 5 months of 1956, on total nonfarm starts, starts in metropolitan areas, and starts in nonmetropolitan areas. This table would indicate (cont. on page 330)

	5 months 1956	5 months 1957	Change 1956-57 No.	%
Total nonfarm starts	477,200	405,800	-71,400	-15.0
In metropolitan areas	337,600	279,000	-58,600	-17.4
In nonmetropolitan areas	139,600	126,800	-12,800	-9.2



CHANGES IN REPORTED VOLUME OF RESIDENTIAL CONSTRUCTION FIRST QUARTER 1957 COMPARED WITH FIRST QUARTER OF 1956

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EXPLANATION OF CHARTS

RESIDENTIAL building in all metropolitan areas of the United States as defined by the 1950 Census is charted on the following pages. The 168 areas include all areas in which the central city had a 1950 population of more than 50,000.

In each city all suburbs, incorporated and unincorporated areas, have been contacted and every effort has been made to make this report as complete as possible. In most cities it has been possible to include practically all of the suburbs within the metropolitan area. For example, the New York City and Northeastern New Jersey area figures include the building in 344 suburban communities; the Chicago area includes building in 174 suburban communities; Philadelphia, 198; Detroit, 110; Los Angeles, 61; and Cleveland, 65. In all, more than 2,300 communities are represented in these charts.

On the charts the figures are expressed as the number of new family units started per 10,000 families in each metropolitan area as indicated by building permits. In non-permit-issuing areas, we requested the tax clerk to report to us the number of dwelling units added to the tax roll each month. In this computation, a single-family dwelling counts 1, a 2-family dwelling counts 2, and a 24-family apartment counts 24. All public housing and war housing projects have been included, along with buildings that were privately built and financed.

The blue italicized numerals on each chart give the number of new family accommodations built in the last 3 months for which figures are available. These are actual figures and are not adjusted for the number of families. The red italicized numerals give the corresponding figures for the corresponding period of a year ago.

It should be noticed on the individual charts that separate averages (medians) have been used for four groupings of metropolitan areas. The average number of new family accommodations built per month per 10,000 families is shown from 1920 to the present for metropolitan areas having from 50,000 to 250,000 people (the solid red line); for areas having from 250,000 to 500,000 people (the beaded red line); for areas having from 500,000 to 1,000,000 people (the dash-dot line); and for those areas having a population of over 1,000,000 (the dashed red line). Ninety-one areas fall into the first category; 44 into the second; 19 into the third; and 14 into the fourth.

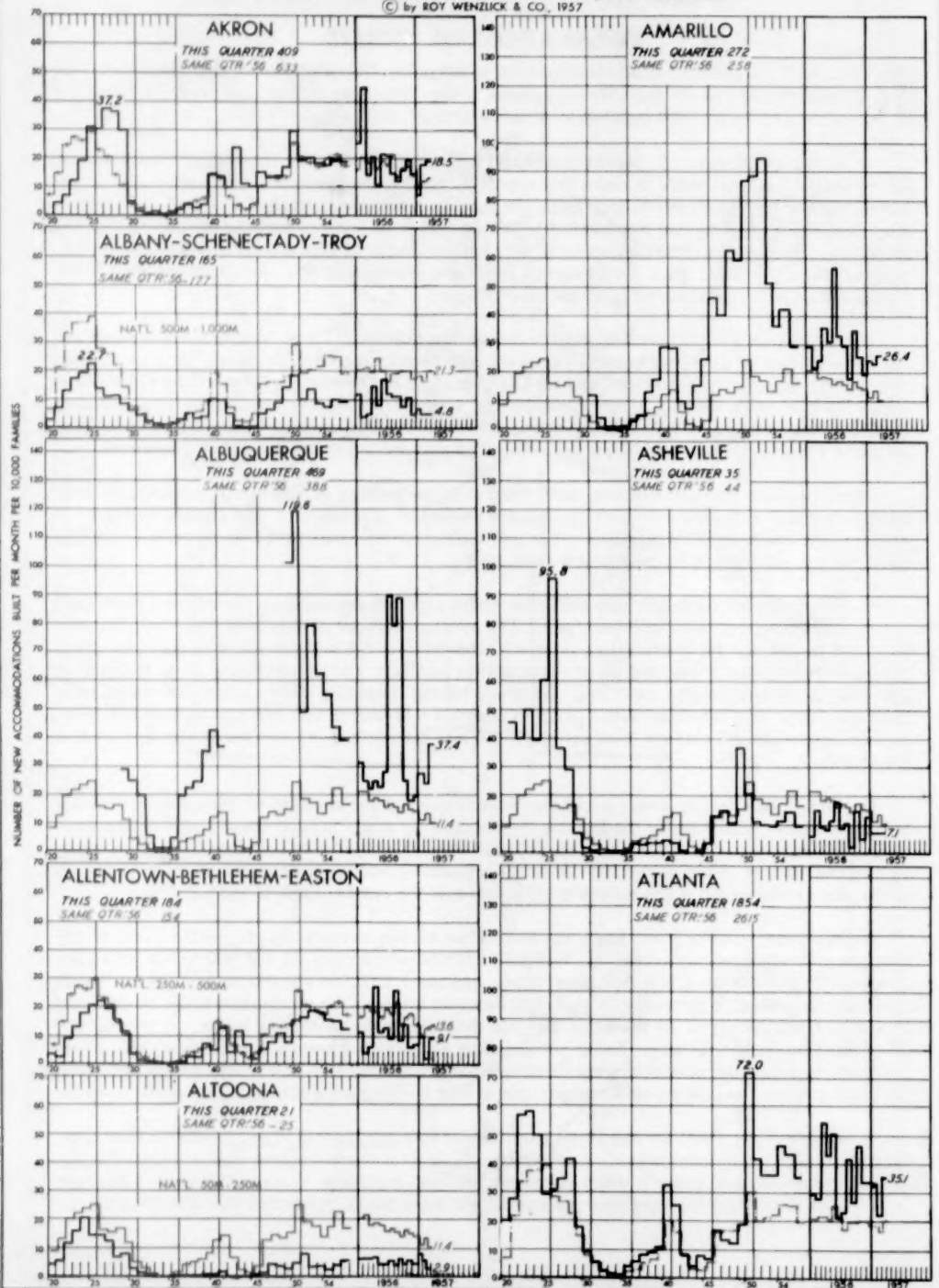
On each area chart is shown in red the national average for areas in its grouping in contrast to the blue line, which shows the figures for the specific area. The averages used on the area charts are medians. A median average is found by arranging the data in order of size and selecting the amount at the midpoint. Because a median average thus eliminates the influence of the two extremes, it gives a very good picture of the typical area in each group.

On the chart on the front page we have also shown national averages for each of the groupings of metropolitan areas: (1) 50,000 to 250,000 population; (2) 250,000 to 500,000 population; (3) 500,000 to 1,000,000 population; and (4) 1,000,000 population and over. These averages should more properly be called arithmetic means. An arithmetic mean is obtained by adding the amounts of all the items and then dividing by the number of items. It will be noticed that the arithmetic mean, being influenced by areas with a greatly accelerated rate of new building, is above the median average of each of the groupings. The arithmetic means are given for each grouping in order that a comparison of new building on a volume basis may be made.

We repeat, the chart on the front page shows the arithmetic mean of the construction rate in the different-sized areas. The red line on each of the individual charts shows the national average for the group in which each area belongs, making it possible to compare the rate in one area (blue line) with the average rate of all other areas of comparable size (red line).

NEW FAMILY ACCOMMODATIONS PER 10,000 FAMILIES

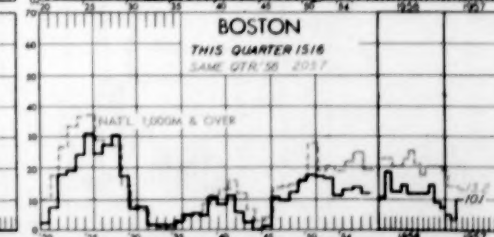
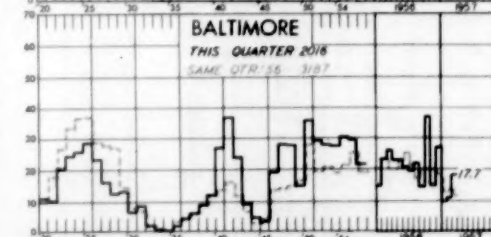
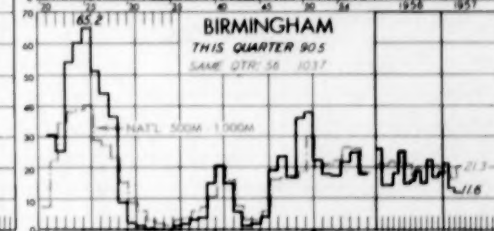
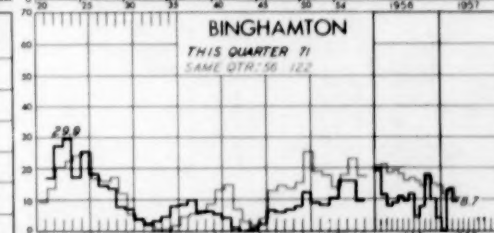
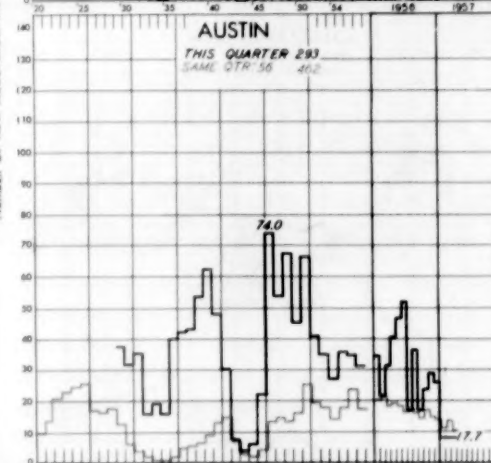
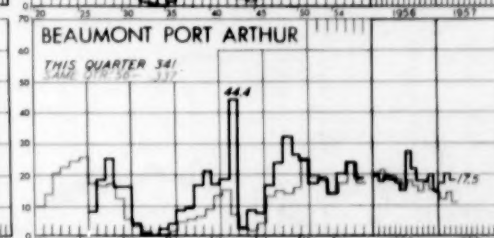
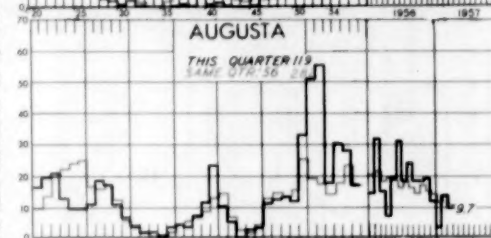
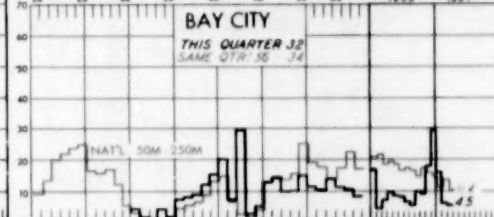
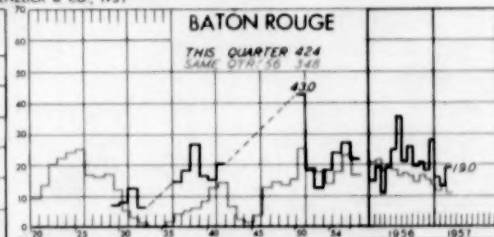
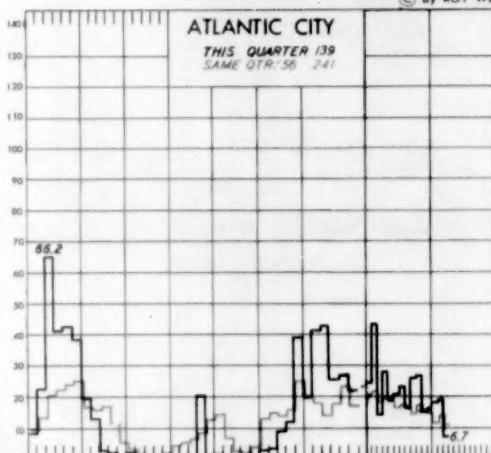
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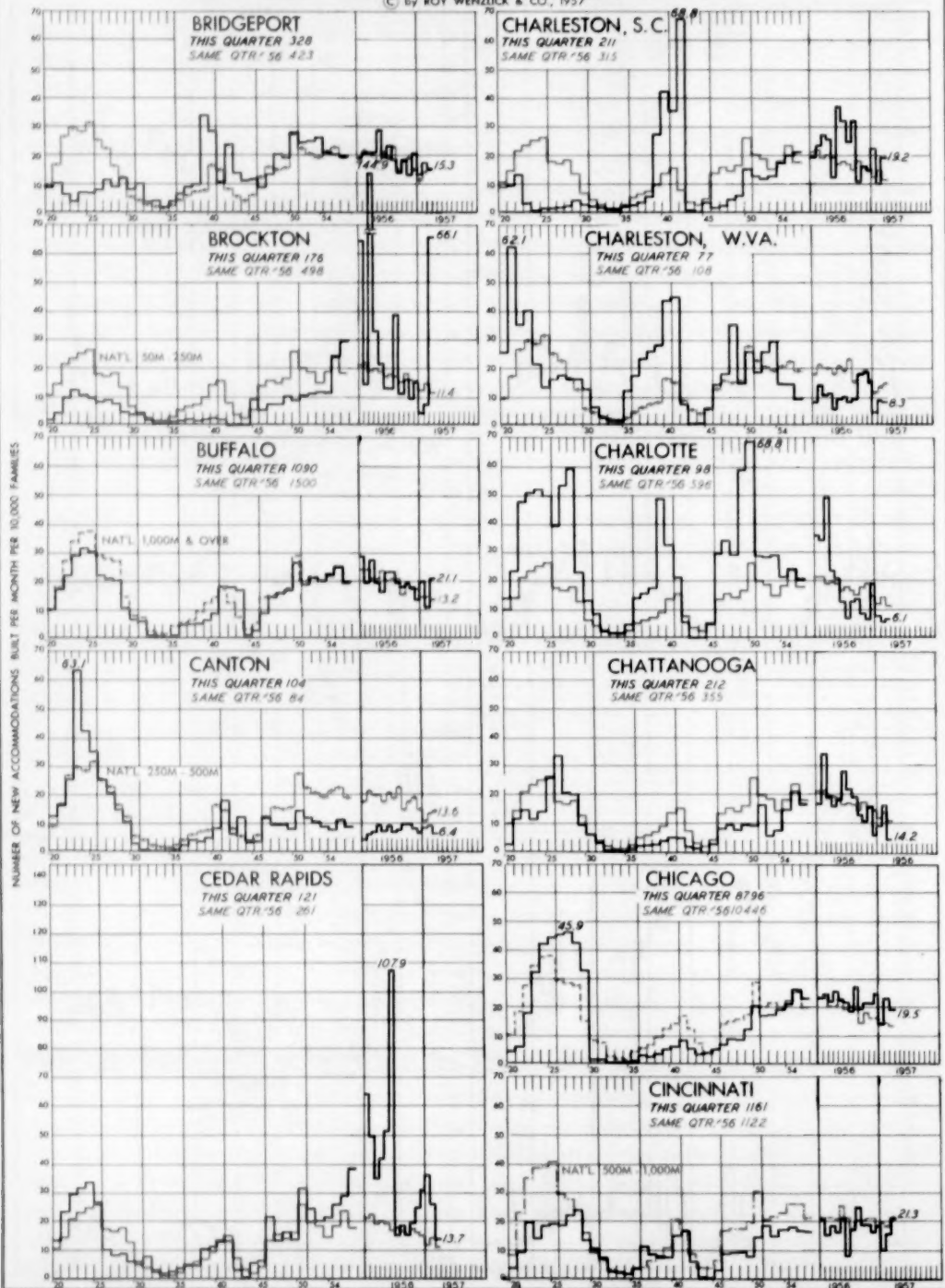
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NUMBER OF NEW ACCOMMODATIONS BUILT PER MONTH PER 10,000 FAMILIES



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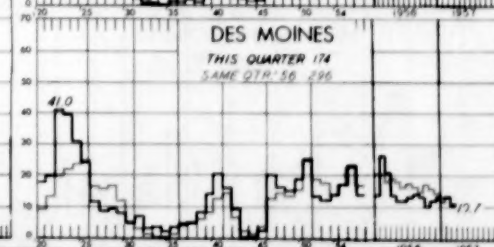
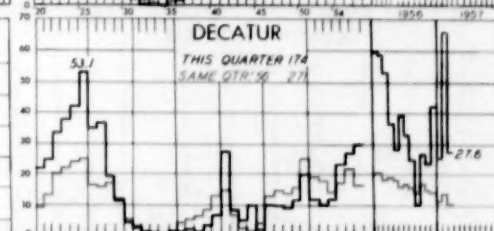
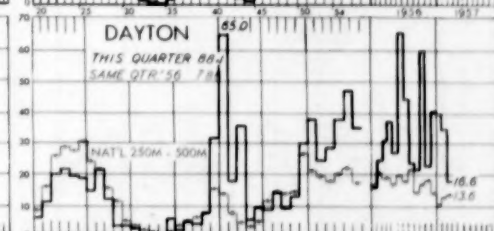
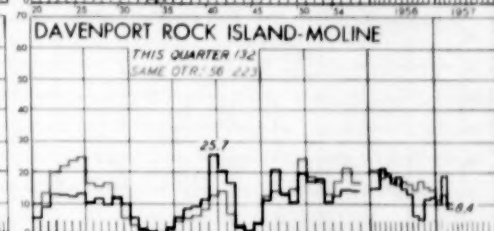
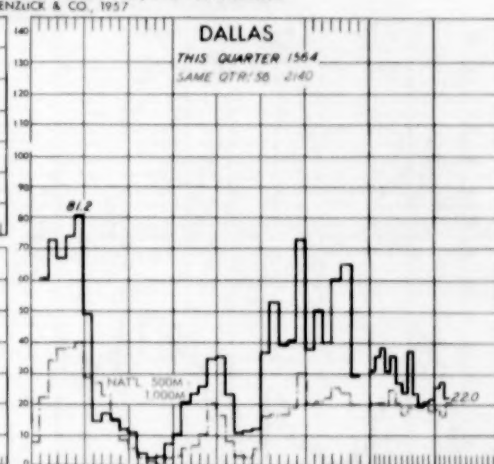
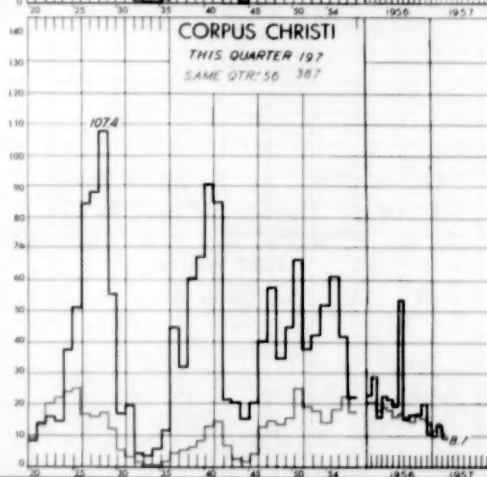
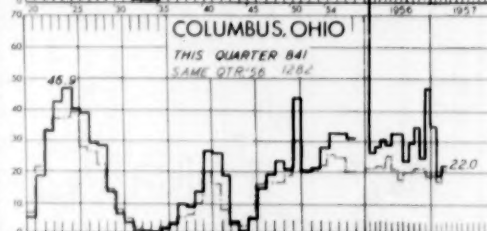
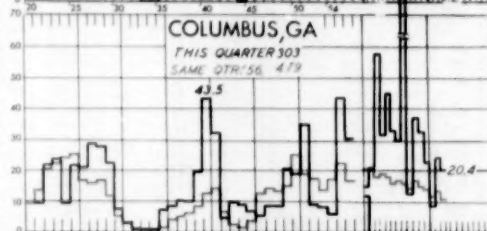
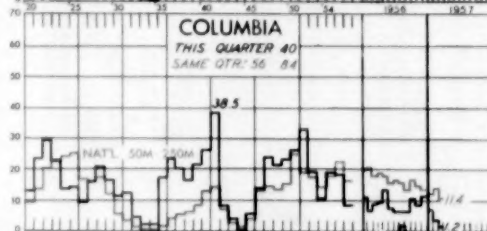
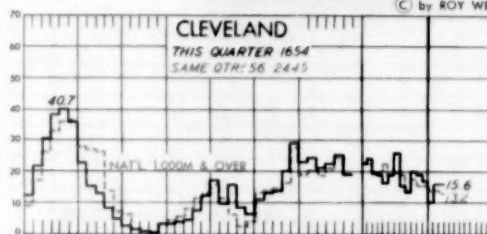
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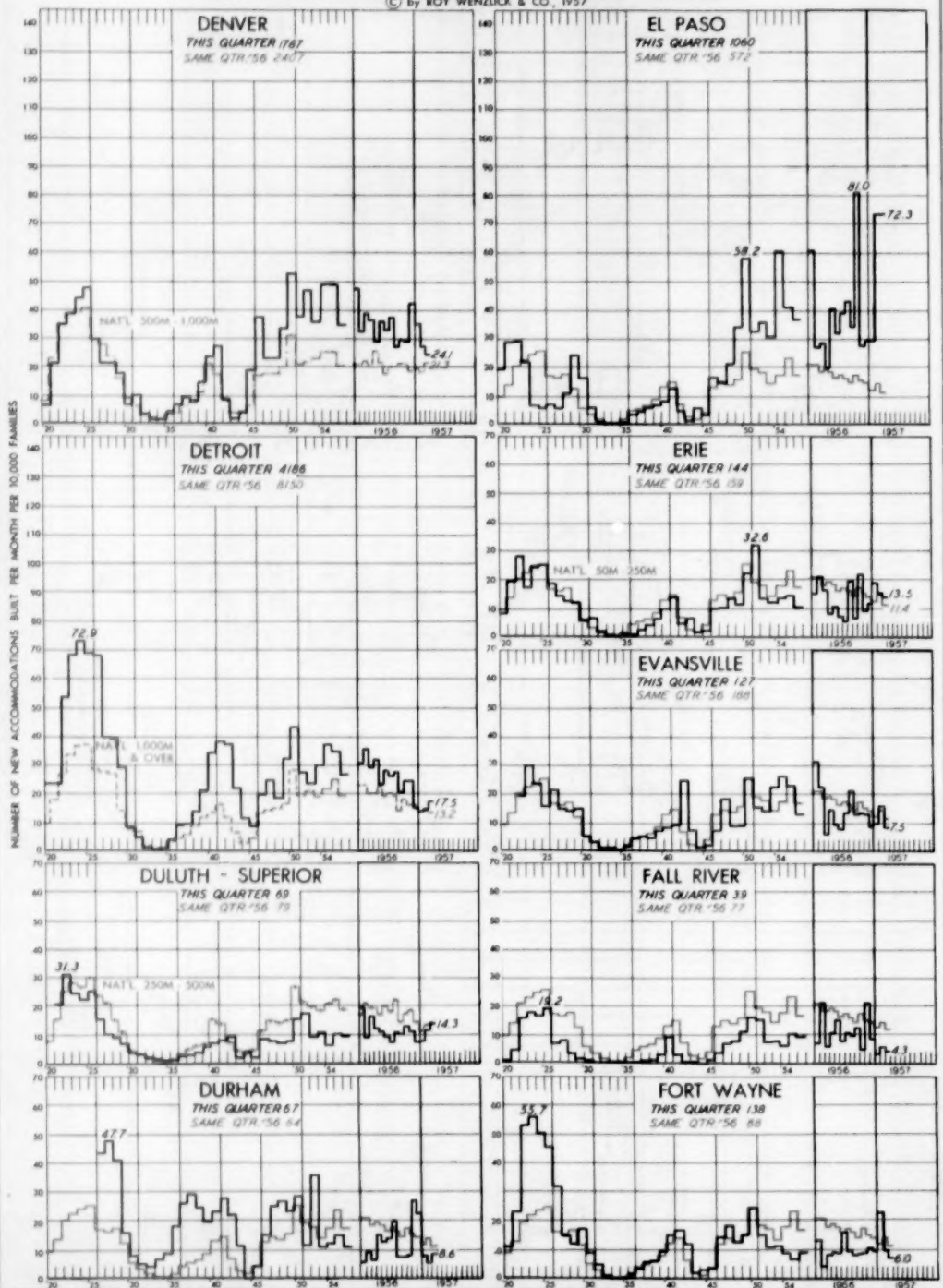
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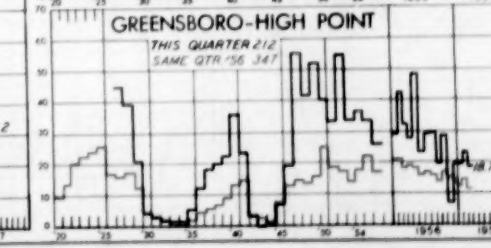
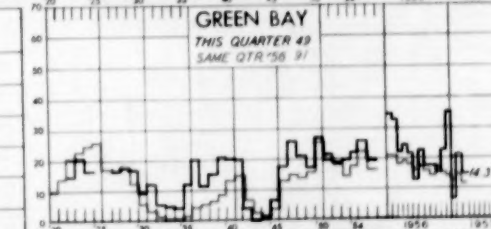
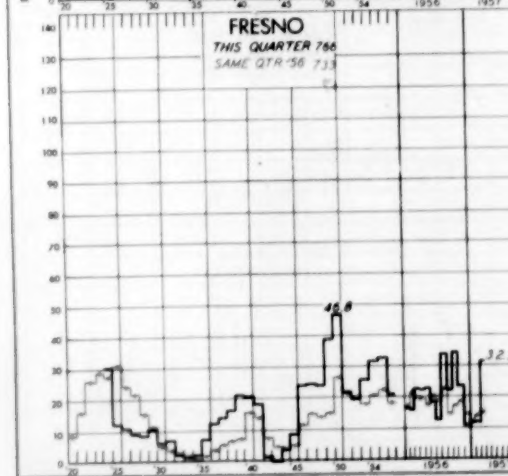
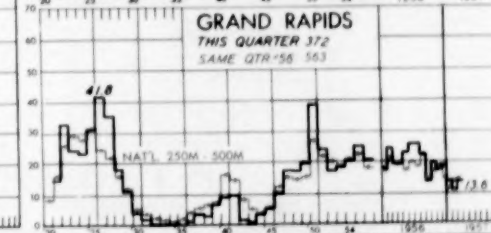
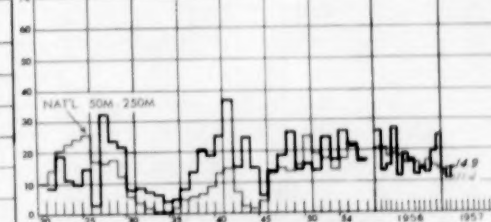
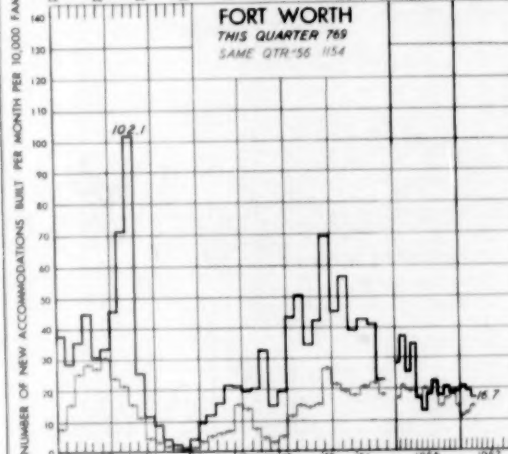
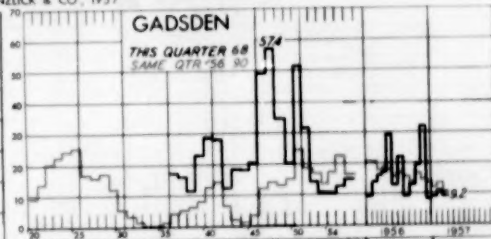
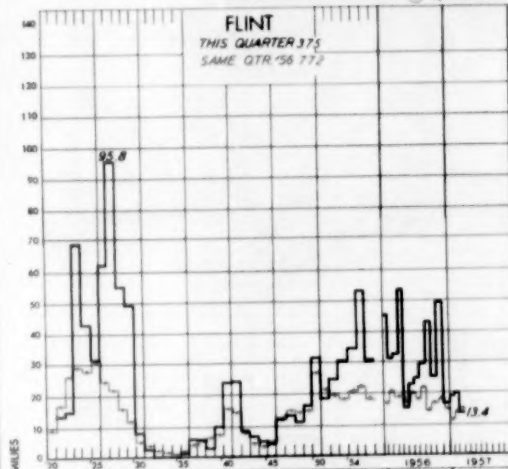
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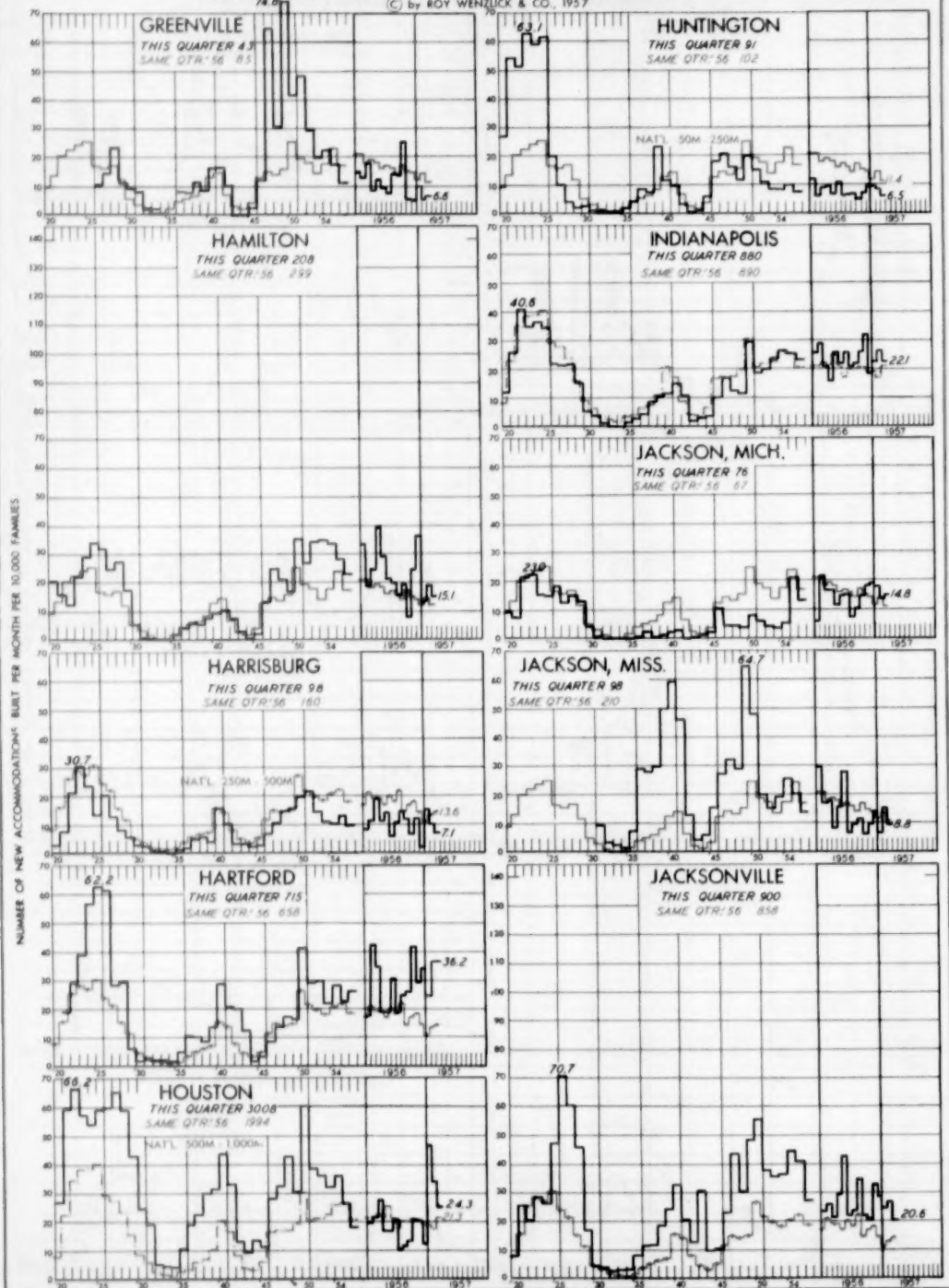
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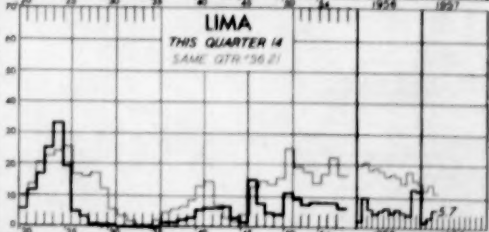
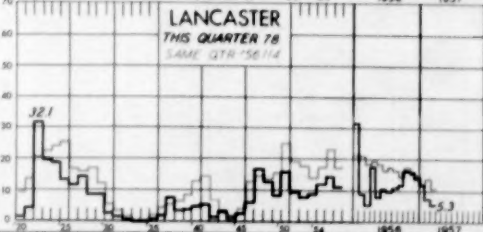
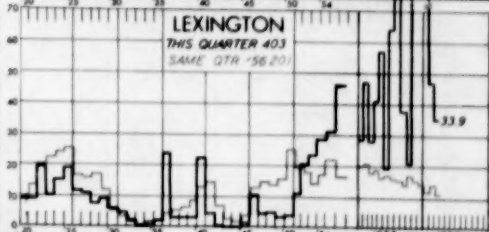
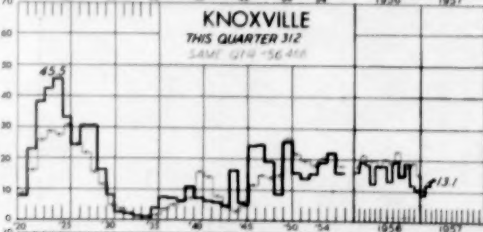
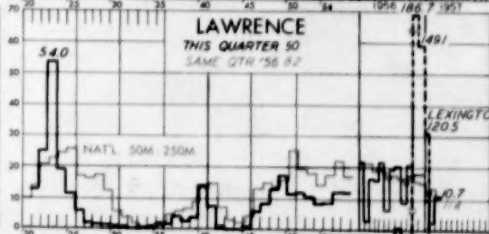
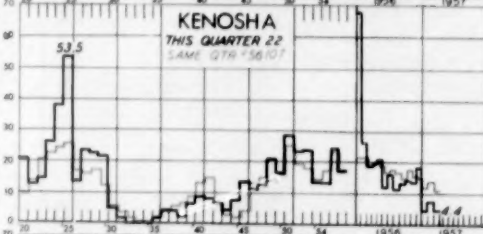
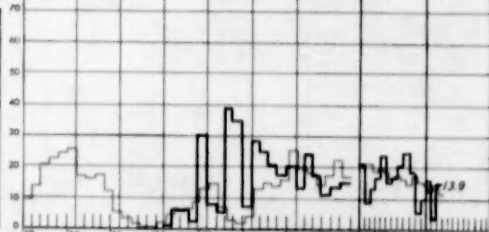
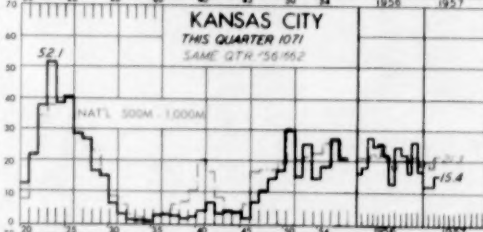
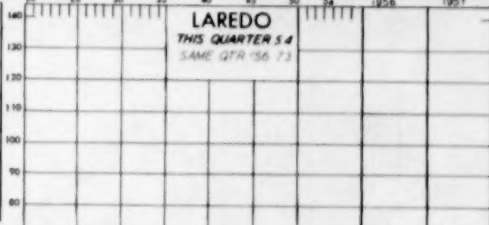
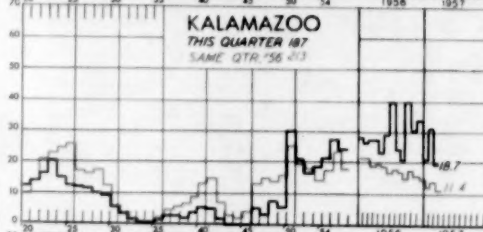
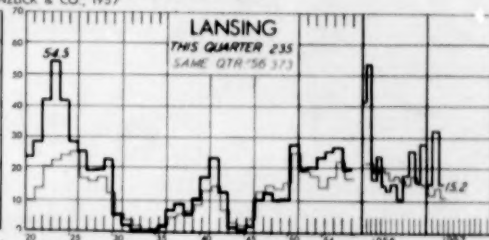
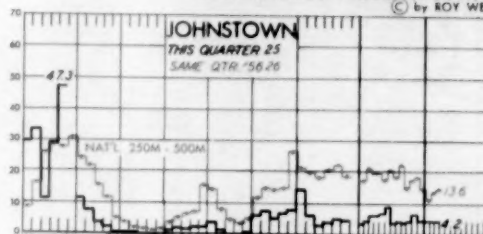
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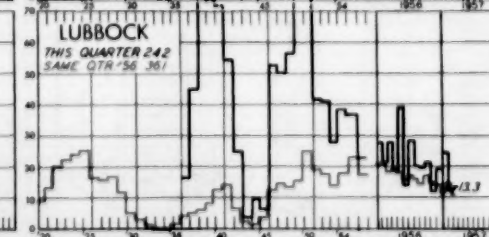
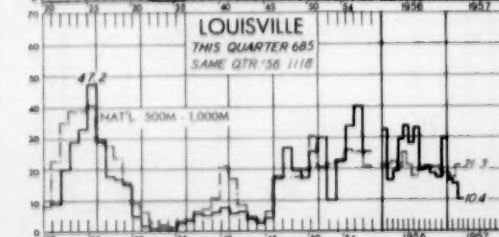
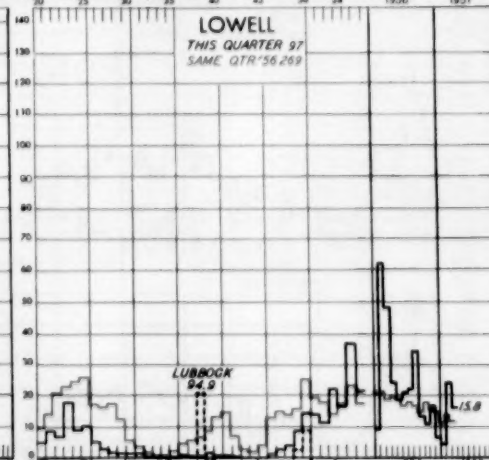
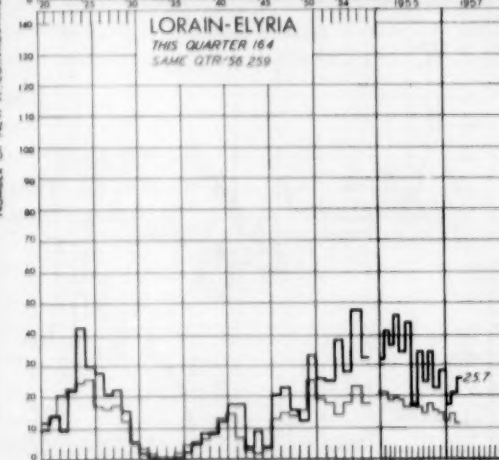
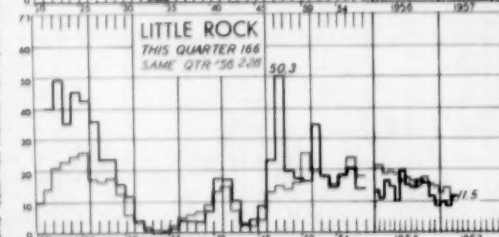
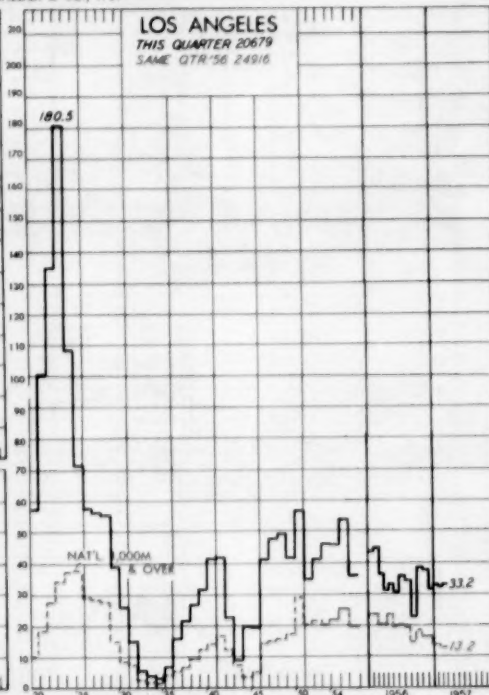
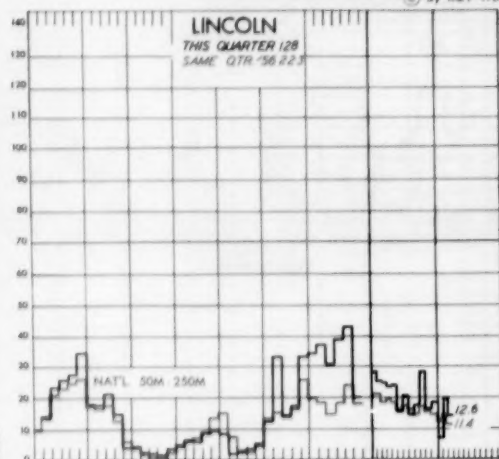
NUMBER OF NEW ACCOMMODATIONS BUILT PER MONTH PER 10,000 FAMILIES



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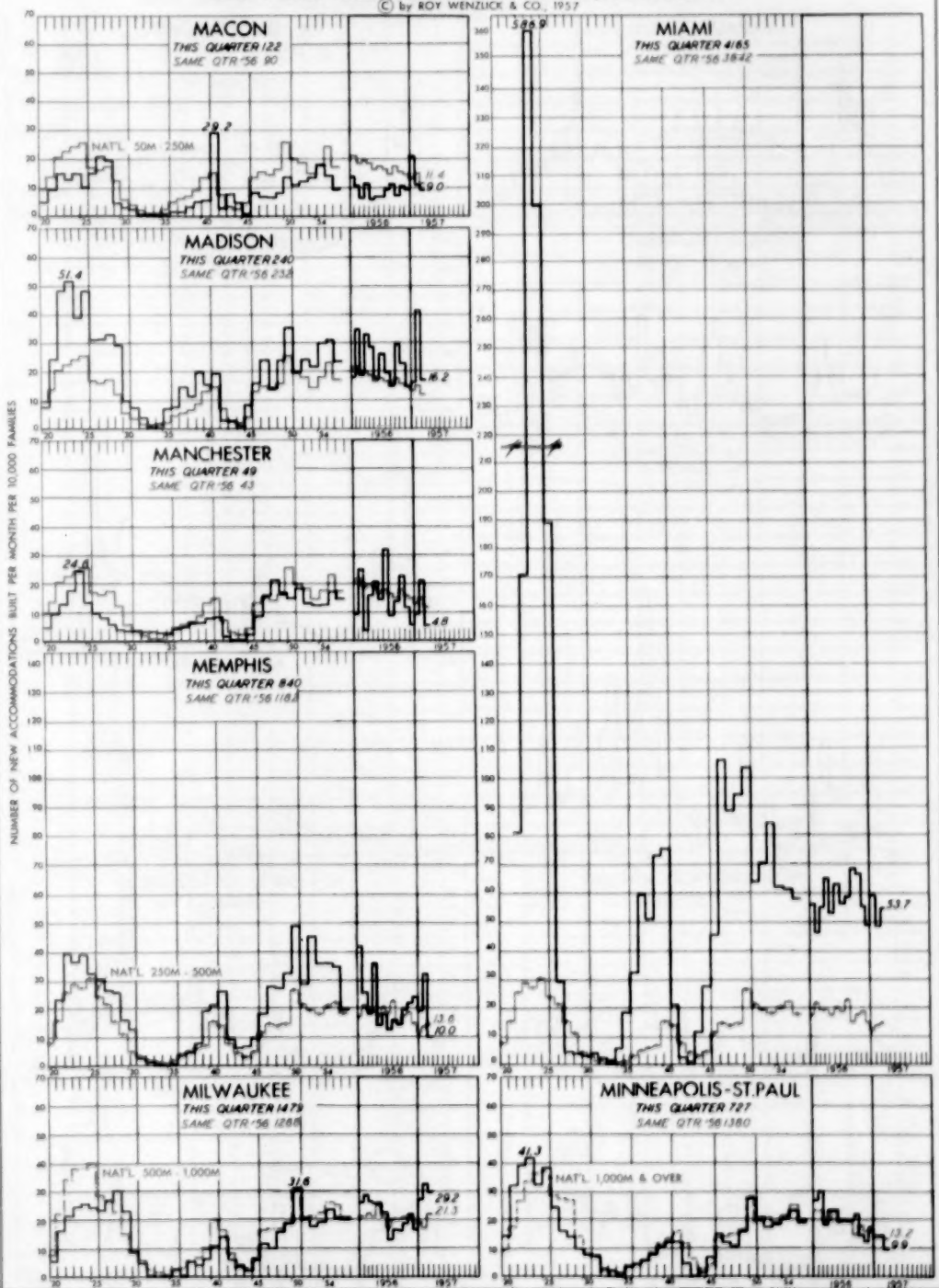
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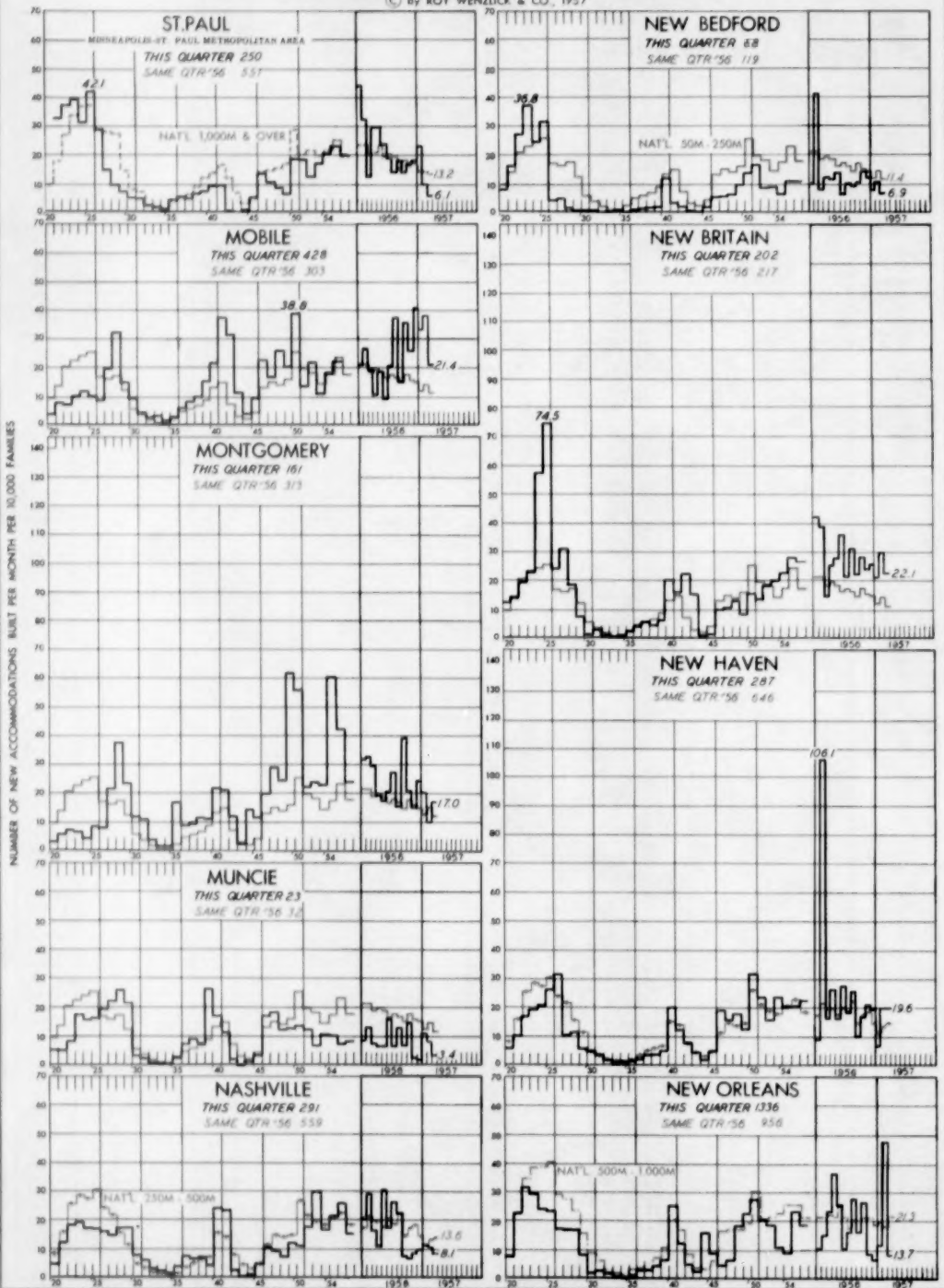
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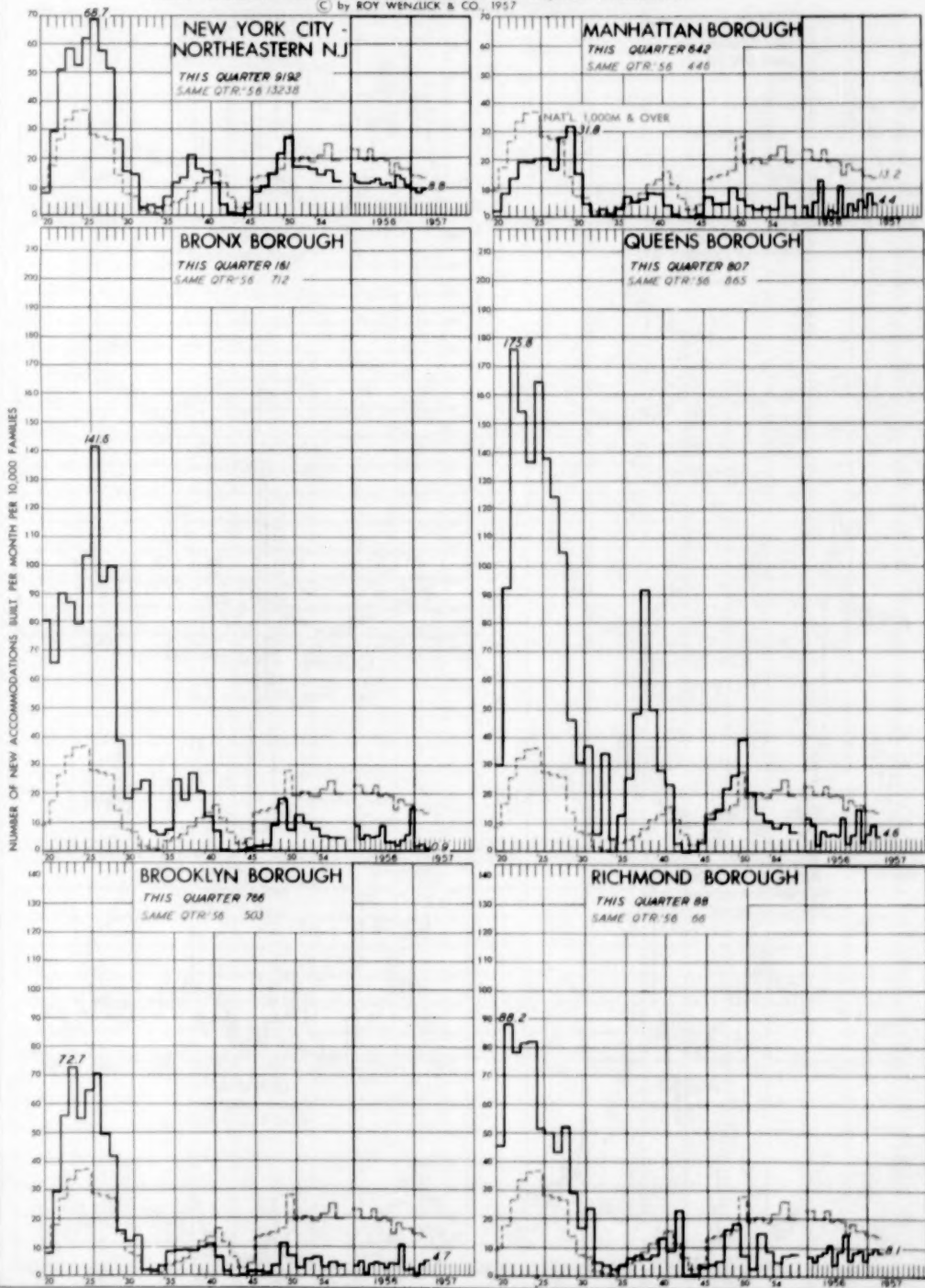
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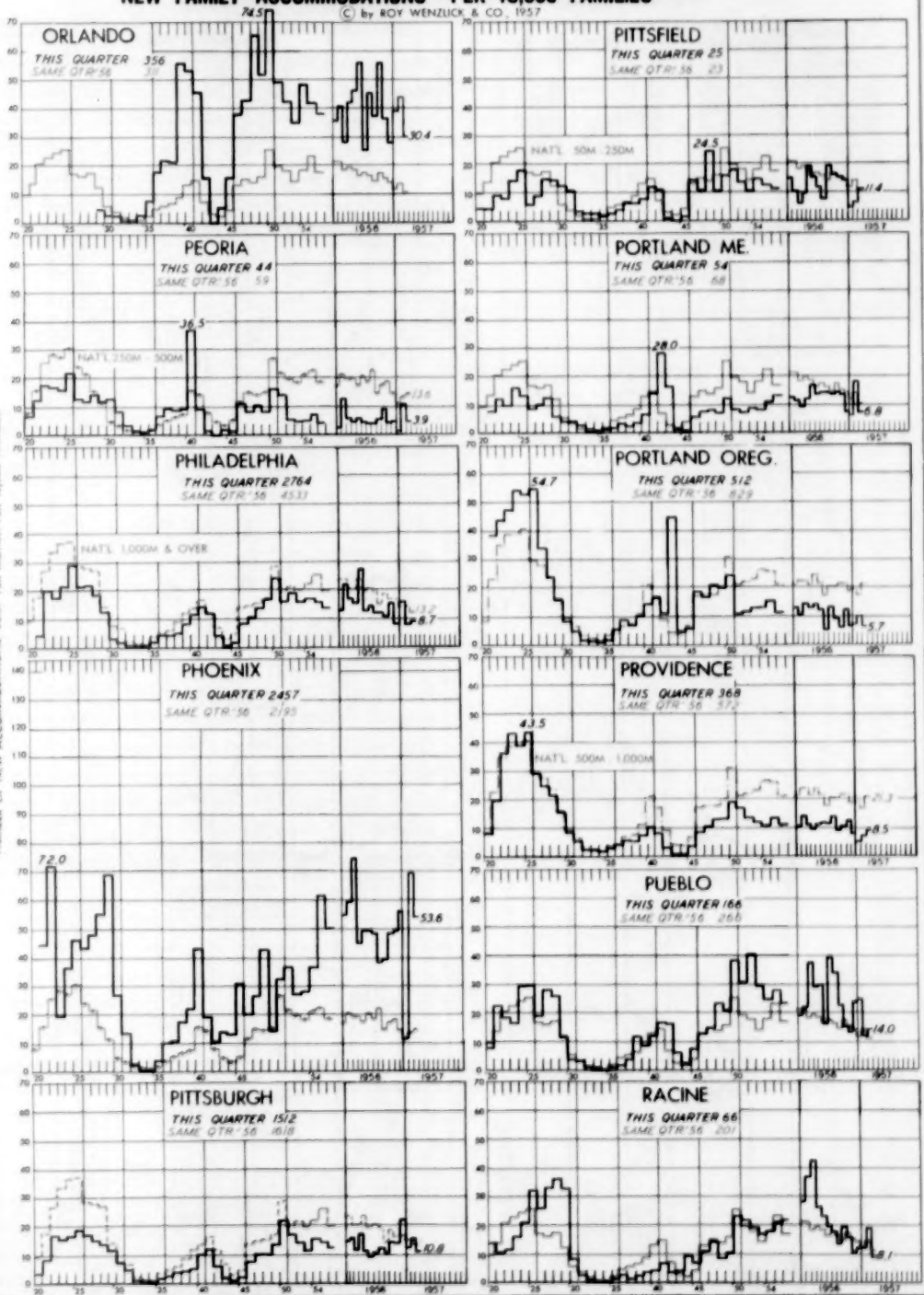
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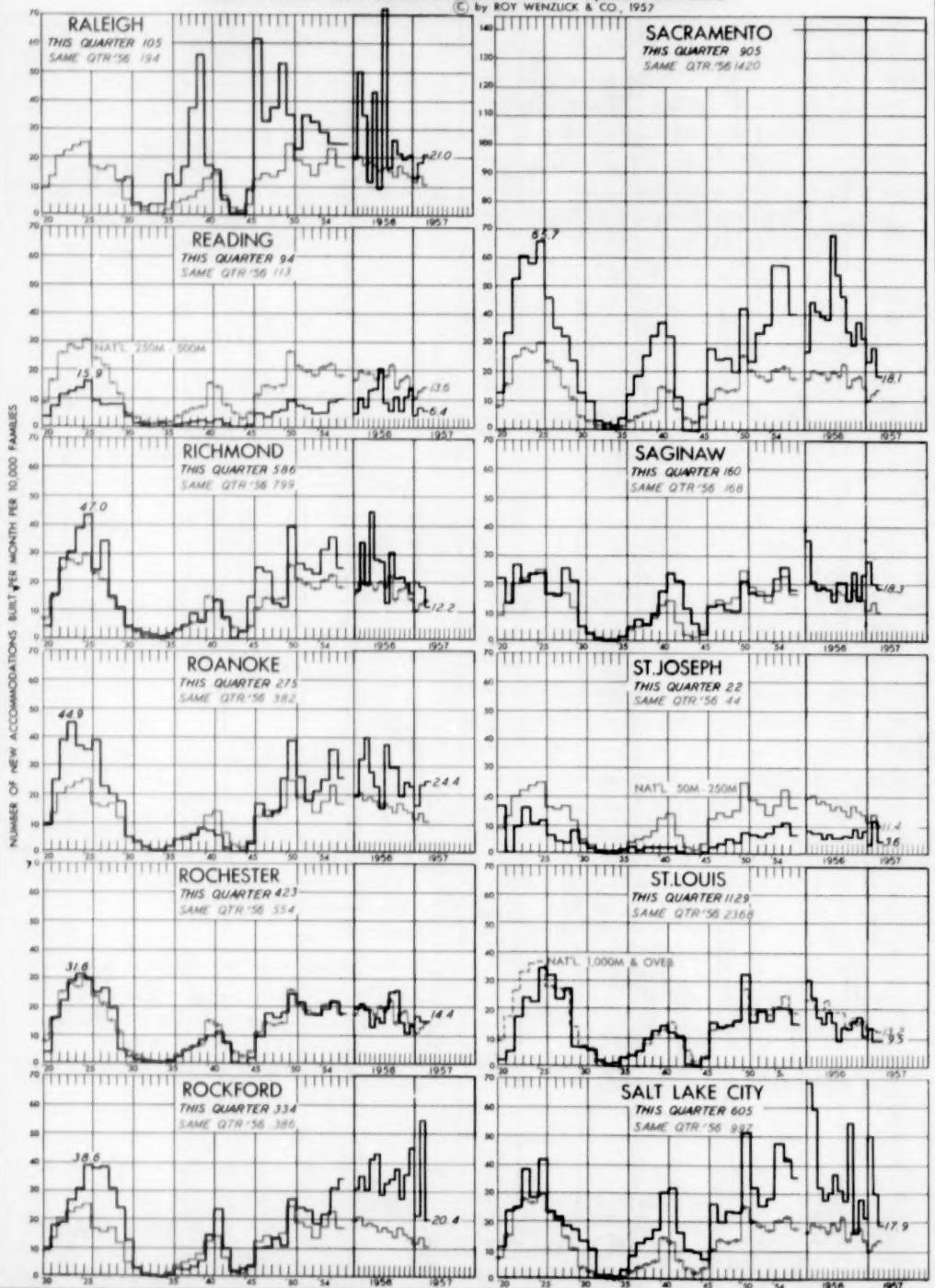
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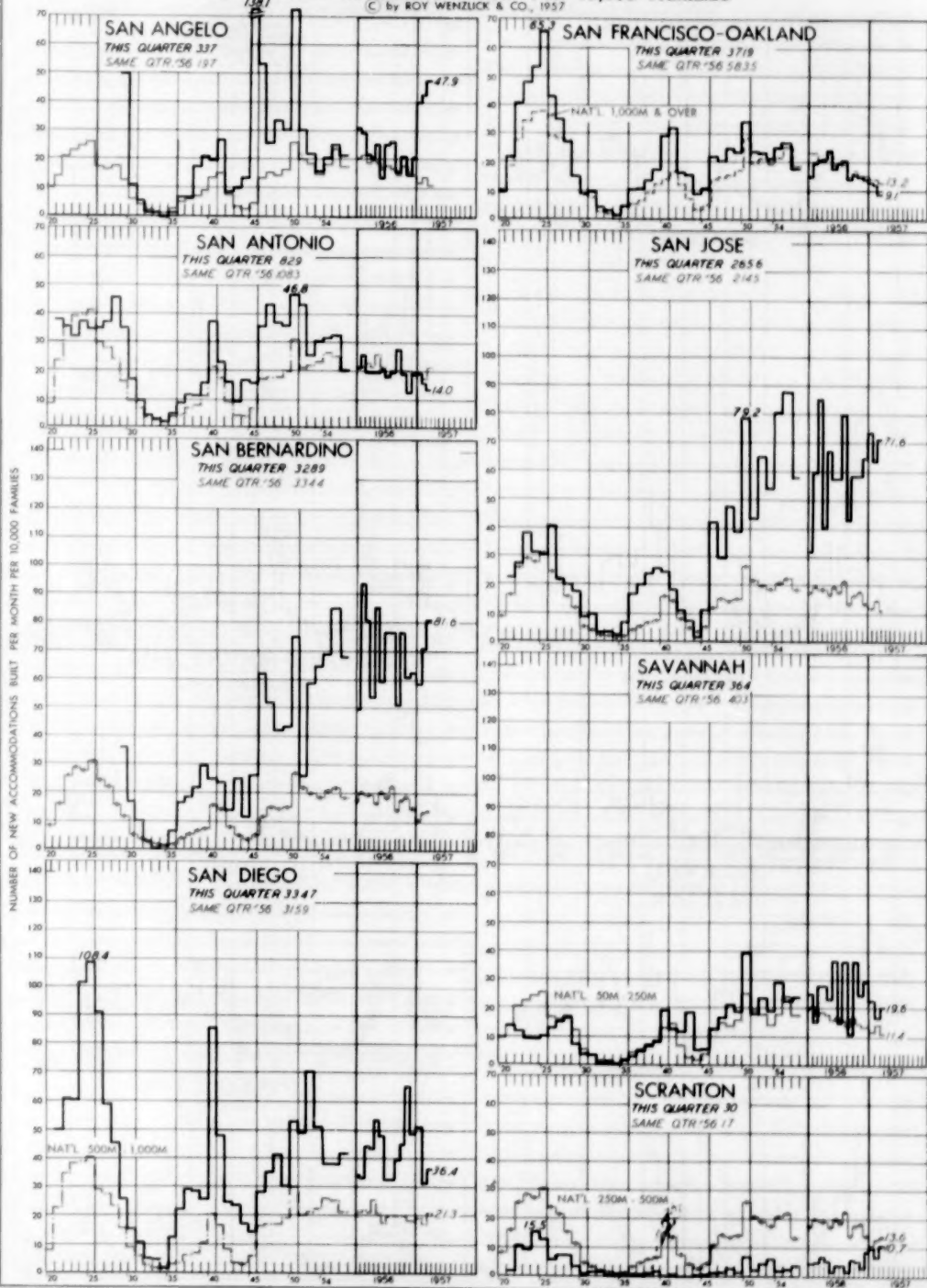
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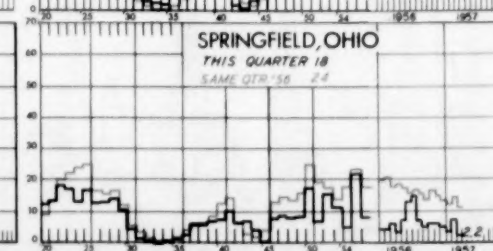
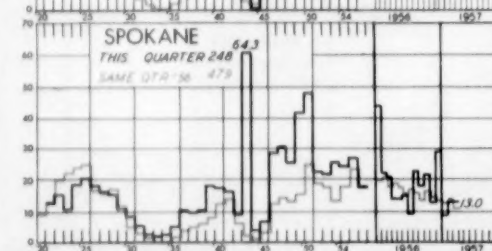
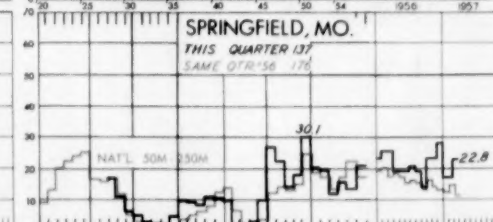
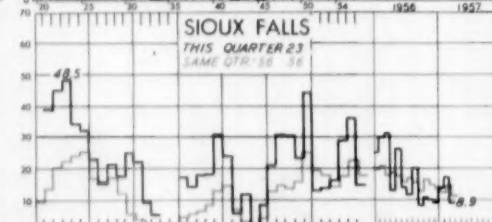
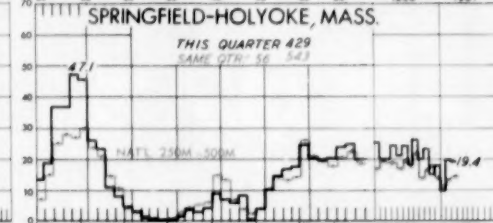
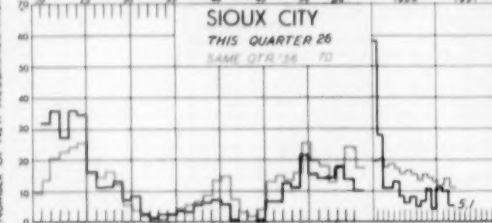
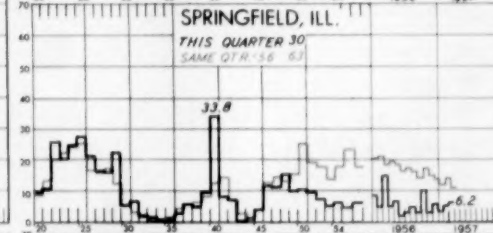
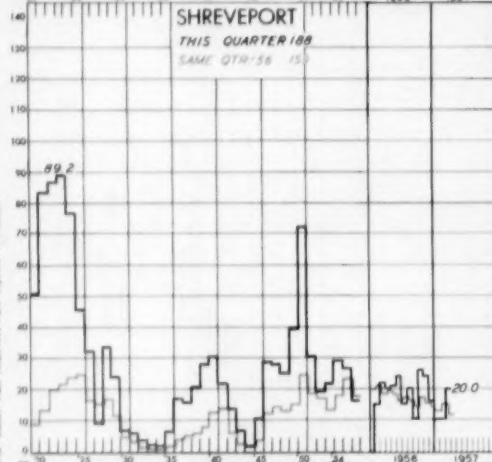
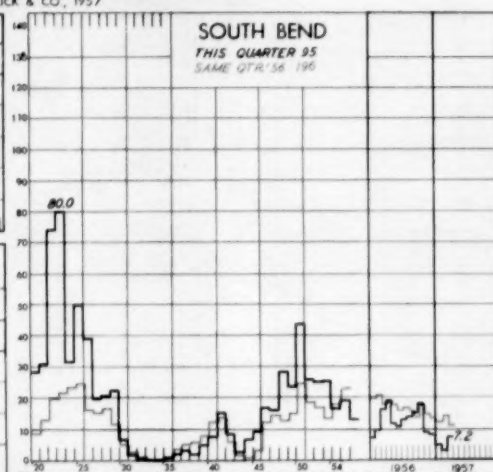
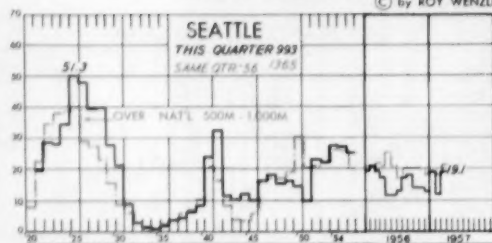
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NEW FAMILY ACCOMMODATIONS PER 10,000 FAMILIES

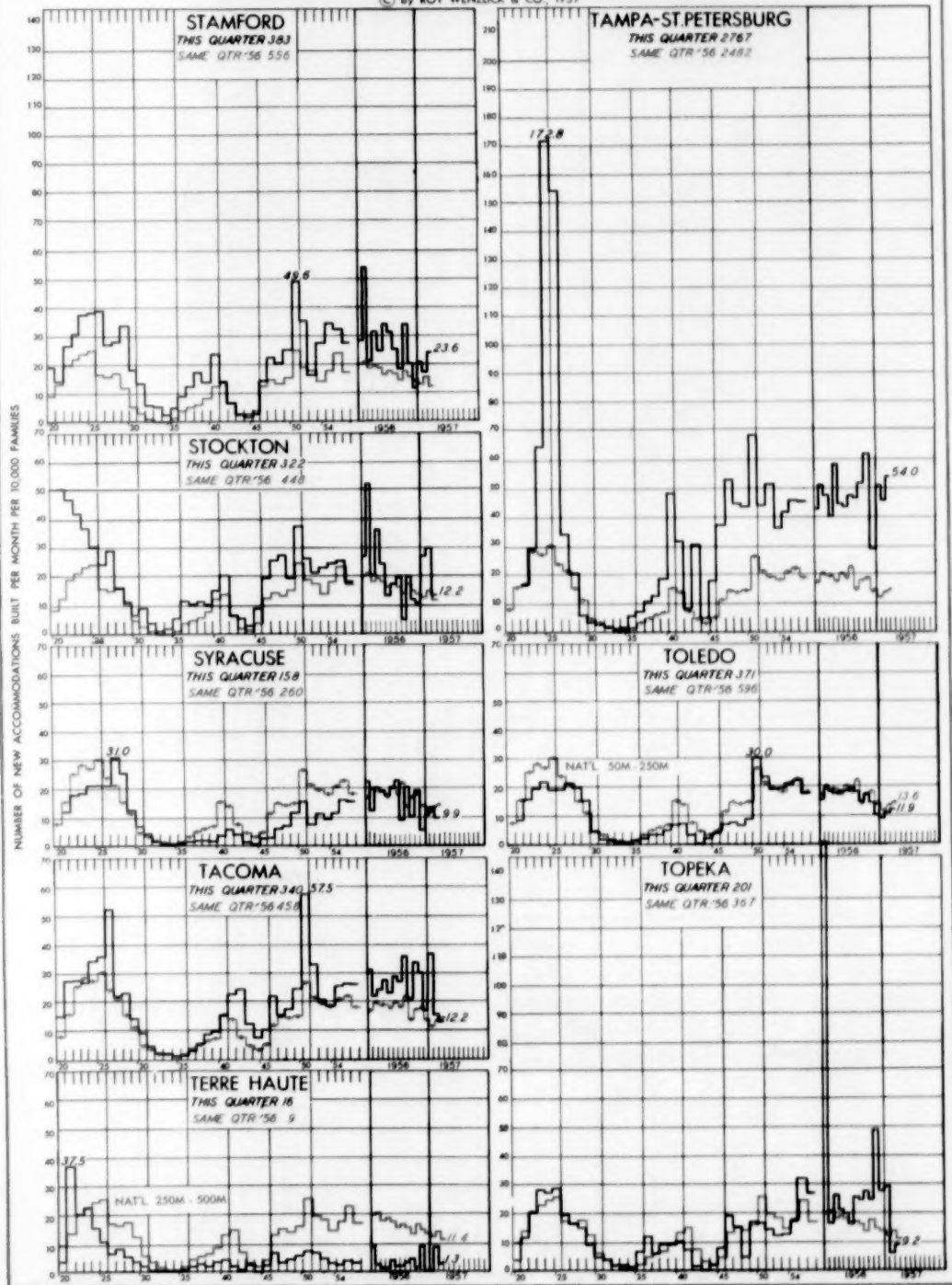
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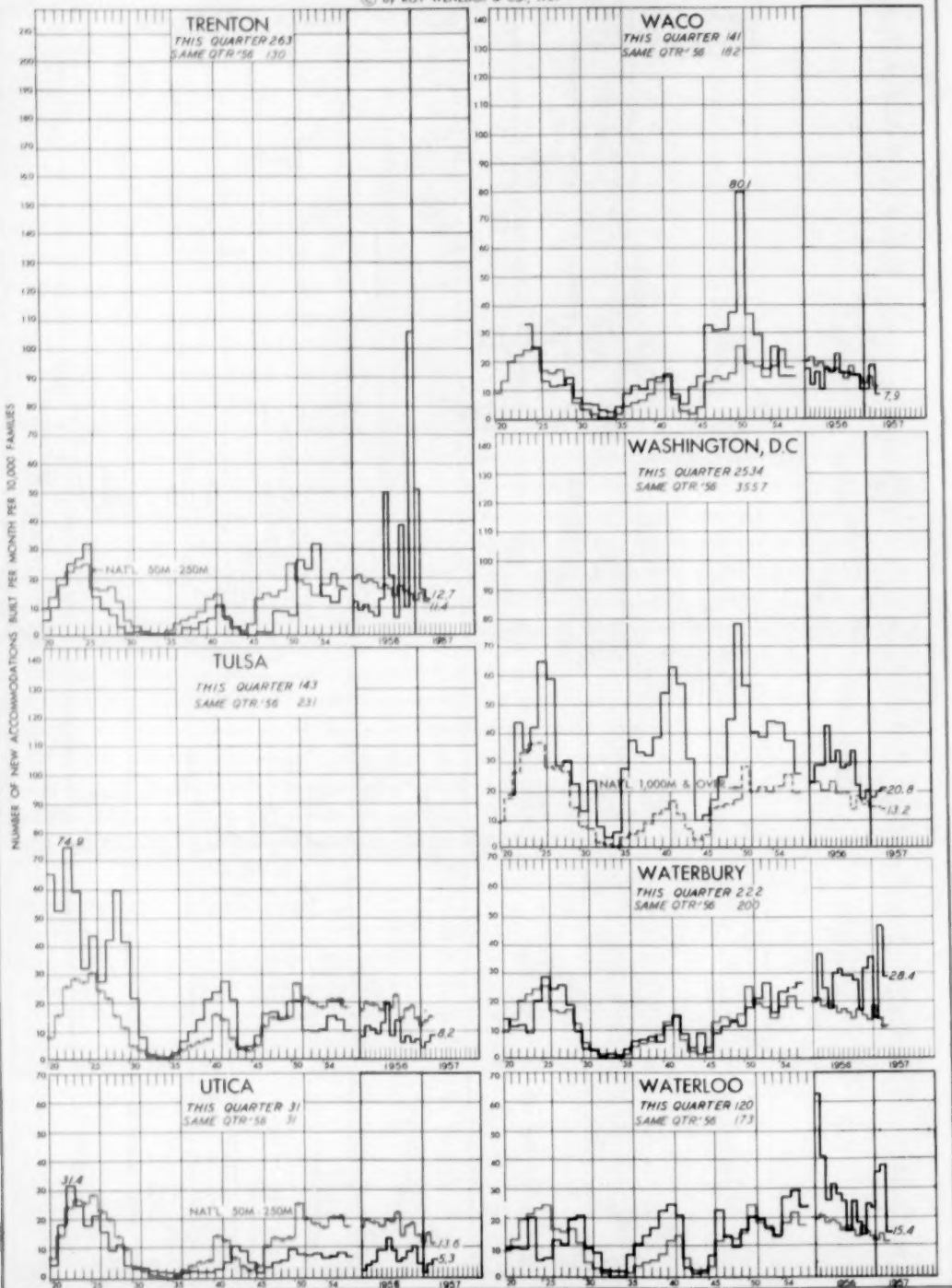
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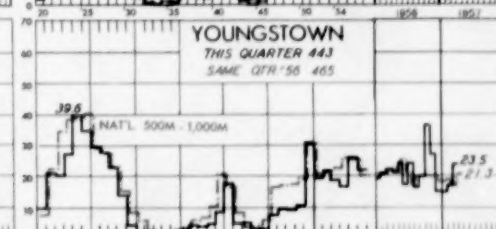
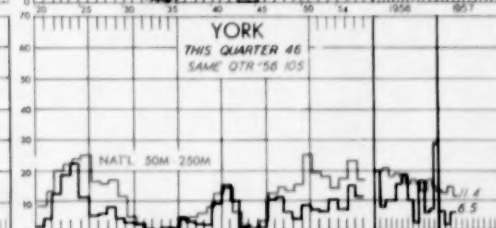
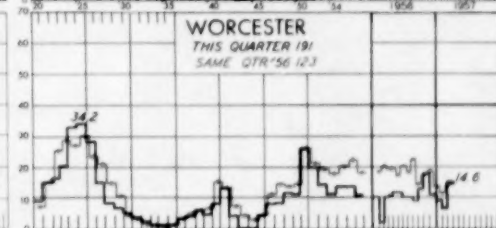
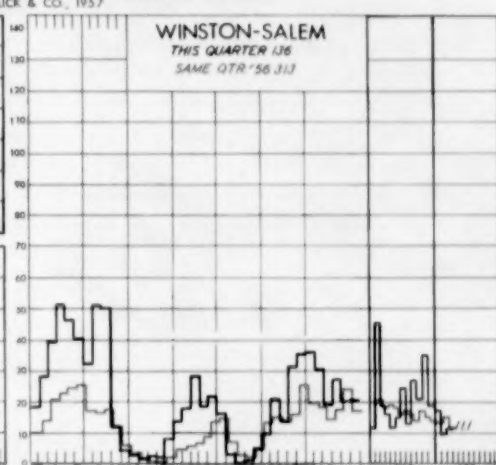
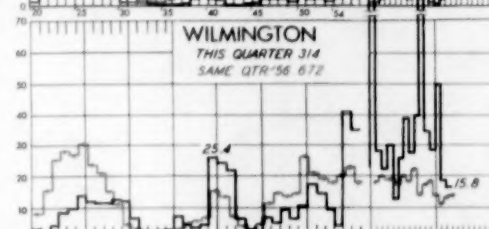
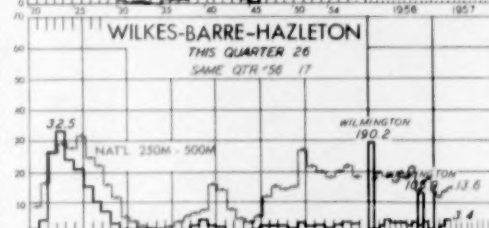
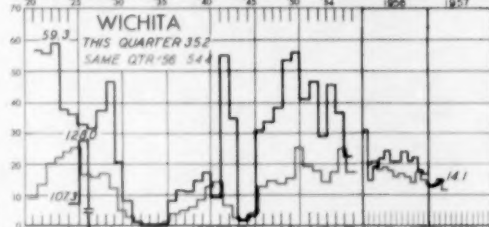
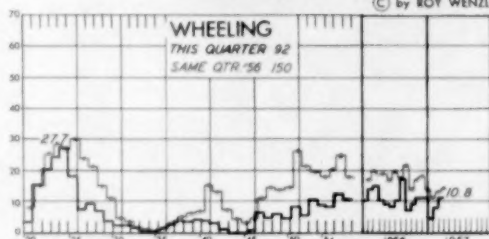
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NEW FAMILY ACCOMMODATIONS PER 10,000 FAMILIES

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NUMBER OF NEW ACCOMMODATIONS BUILT PER MONTH PER 10,000 FAMILIES



(cont. from page 307)

that the starts in metropolitan areas have declined by the greatest percentage, total nonfarm starts are off by a smaller amount, and starts in nonmetropolitan areas have had the smallest drop.

The map on page 308 shows residential construction for the first quarter of 1957, compared with the same period of 1956; 38 metropolitan areas are above , 127 areas are below, and 3 show no change.